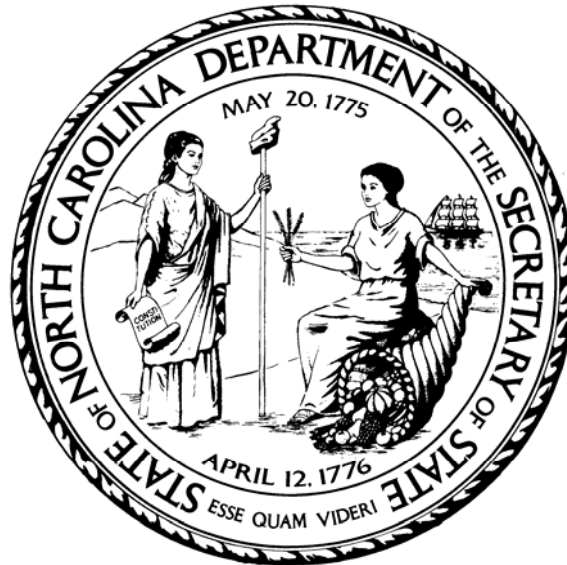**NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE**

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Department of the Secretary of State

IT Plan

2007 – 2009 Biennium

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Chapter 1 - Departmental Strategic Business Initiatives and Major Business Requirements

Introduction

The primary purpose of the Department of the Secretary of State is to serve and protect the citizens, business community, and government agencies by facilitating business activities, providing accurate and timely information, and by preserving documents and records. For the most part, the Department's long-term business strategy looks like most of the rest of state government; the future looks like the past and the present. Most agencies do not have the authority to invent or discover and then implement new services and fees. Since the current business model is expected to last into the near future, the IT plan is to help the agency improve its current business practices.

The economy of North Carolina depends upon rapid and secure access to financial capital by our business community. The Department of the Secretary of State is North Carolina's lead agency that facilitates the formation of financial capital by the private sector business community. The Department accomplishes this through the collection, distribution, and public disclosure of legislatively designated commercial information in a "transparent" a manner as possible, both manually and through very advanced electronic commerce applications.

Paralleling this is an enforcement presence that investigates fraudulent and inaccurate disclosures of the information and then imposes a range of civil and criminal penalties for such misconduct. A critical IT function of this enforcement activity is performing computer forensic discovery activities on suspect electronic equipment confiscated during the investigation. Underlying this two-track system is the activity of the Secretary of State to authenticate and verify the various trademarks and signatures on the entire range of business and governmental documents in order to instill a high level of "trust", integrity, and reliability in business transactions.

First, the Department facilitates the formation, on-going activities, and dissolution of business entities by: processing articles of incorporation, receiving filings of annual reports, dissolving delinquent and non-responding business entities, and suspending entities that do not file their state tax returns.

Second, the Department assists entities in raising and securing financial capital by: accepting filings of UCC-1s, regulating securities and investment advisers, approving business opportunities, and licensing charitable solicitors.

Third, the Department enables secure and authenticated business transactions by:
- Commissioning public notaries and e-notaries;
- Establishing the authenticity of documents to and from foreign countries;
- Registering and renewing in-state trademarks and service marks;
- Administering the Electronic Commerce Act and licensing certification authorities in North Carolina that want to do business with state government; and
- Accepting and preserving Advance Health Care Directives documents filed by citizens.

The Department has trained computer forensic technicians and certified law enforcement personnel to investigate and enforce: securities and investment adviser laws, trademark and service mark laws, notary public laws, and charitable solicitation licensing laws in North Carolina. In addition, the Department establishes statewide electronic storage standards for vital local and county government land records.

Vision

The guiding philosophy of the Department of the Secretary of State is to make conducting business with the Department an easy and intuitive experience from anywhere in North Carolina, thus providing a level playing field to citizens and businesses all across the state. The Department foresees providing productive and efficient electronic tools to help customers comply with state laws the Department is charged with administering and enforcing, and providing the customers with timely and universal access to our business services and public information in an effort to continue to expand our lead over the other states in the electronic commerce areas.

The Department envisions providing customers with electronic interfaces for all of our services that work in harmony with technology used by other North Carolina agencies and the general public, making access to the agency's records much more "transparent" than in the past.

Mission

The mission of the Department of the Secretary of State is to serve and protect citizens, the business community, and governmental agencies by:

- Enforcing laws and providing consumer protection from fraud for citizens;
- Facilitating business activities;
- Providing public access to accurate and timely information;
- Preserving documents and records; and
- Promoting international relations with North Carolina state government.

Values

The values of the Department of the Secretary of State are:

- **Business-focused:** To ensure that program initiatives relate to satisfying the needs of our customers and meeting legal mandates and are designed from the customers' perspective, not that of government.
- **Accountable:** To use taxpayers' money wisely and produce results that are: efficient, productive, and generate a high return for our customers.
- **Integrity:** To treat customers fairly and professionally, no matter how they choose to do business with the Department.
- **Collaborative:** To be an enterprise team player committed to helping our customers, businesses, other state agencies, and cross-jurisdictional partners succeed.
- **Entrepreneurial:** To think creatively and strive to improve performance and service by evaluating new ideas and taking reasonable risks to enhance and provide better solutions to meet our goals and objectives and those of our customers.

Goals and Objectives

Goal 1: Improve service to citizens and reduce costs of doing business with Secretary of State. Customers are able to register their businesses and complete all other associated business filing transactions quickly and easily via the Web.

Strategy 1: Provide for all business corporations filings online via the Web.
Actions:

- Define and design online corporate transactions.
- Propose and draft required law changes to facilitate online filings.
- Develop the proposed system.
- Train internal staff to use and test the system.
- Design and develop online help for customers.
- Implement the production system.
- Monitor, enhance, and fine-tune the production system.

Strategy 2: Integrate Trademarks and Service Marks into SOSKB.
Actions:

- Define and design online trademarks transactions.
- Propose and draft required law changes to facilitate online filings.
- Develop the proposed system.
- Import and clean-up existing data from mainframe system.
- Train internal staff to use and test the system.
- Design and develop online help for customers.
- Implement the production system.
- Monitor, enhance, and fine-tune the production system.

Goal 2: Enhance citizen services and improve agency mission performance. Electronic documents can be notarized and authenticated electronically in North Carolina.

Strategy 1: Develop an E-Notary Commissioning and Information module in the SOSKB.
Actions:

- Define and design online registration transactions.
- Define and design online E-Notary training application.
- Define and design online E-Notary testing application.
- Develop and integrate the proposed applications.
- Train internal staff to use and test the applications.
- Design and develop online help for customers.
- Implement the production applications.
- Monitor, enhance, and fine-tune the production applications.
- Define and develop E-Notary COTS certification process.
- Develop online certified E-Notary COTS vendor selection list.
- Monitor, enhance, and fine-tune the software certification process.

Strategy 2: Participate in international E-Authentication pilot project.
Actions:

- Define E-Authentication pilot project participation requirements and expectations.
- Determine feasibility, costs, and benefits from pilot project participation.
- Make "Go" or "No-Go" decision about pilot project participation.
- Follow through with previous decision.

Inventory of Outstanding IT Related General Assembly Mandates and Responsibilities for the Department

1. Enhance Lobbyist and Principal registration and reporting system in SOSKB to conform to changes enacted in Session Law 2006-201, State Government Ethics Act; due January 1, 2007.
2. Enhance Notary Public Information System in SOSKB to conform to changes enacted in Session Law 2005-391, Electronic Notary Act; due in 2007.
3. Develop Cable Television Franchise module in SOSKB to conform to requirements of Session Law 2006-151, Video Service Competition Act; due January 2007.
4. Coordinate with State Board of Elections to create a searchable Web-based database of reports as directed in Session Law 2006-201, State Government Ethics Act; due in 2007.
5. Remove or redact personal identifying information from public records made available to the general public as directed in Session Law 2006-173, Amendment to Identity Protection Act of 2005; Phase I, UCC records, due June 30, 2007.
6. Provide electronic means to archive and permanently store Register of Deeds copies of "Records of Notaries Public" created prior to 1991 as directed in Session Law 2005-391; Uniform Real Property Electronic Recording Act; due August 2007.

Chapter 2 - Requirements for Transitioning Existing IT Activities/Resources

Current projects

1. **Project Name:** Enhance Lobbyist and Principal registration and reporting system in SOSKB to conform to changes enacted in Session Law 2006-201, State Government Ethics Act; due January 1, 2007.
Scope: Major Lobbyist and Principal system modification to adapt system to new law and administrative rules, filing and operating procedures, and workflows. Will include OCR recognition for handwritten reporting forms and e-notarization for electronic filing of periodic reports.
Priority: 1.
Additional Funding Needed: None for IT, using existing resources.
Staffing Resources: Using existing resources.
Actual or Scheduled Start Date: January 2006.
Scheduled Completion Date: December 2006.

2. **Project Name:** Enhance Notary Public Information System in SOSKB to conform to changes enacted in Session Law 2005-391, Electronic Notary Act; due in 2007.
Scope: Major Notary Public system modification to accommodate new notary type and new e-notary law. Will include online training and online testing for new e-notary applicants.
Priority: 2.
Additional Funding Needed: None for IT, using existing resources.
Staffing Resources: Using existing resources.
Actual or Scheduled Start Date: August 2006.
Scheduled Completion Date: August 2007.

3. **Project Name:** Remove or redact personal identifying information from public records made available to the general public as directed in Session Law 2006-173, Amendment to Identity Protection Act of 2005; Phase I, UCC records, due June 30, 2007.
Scope: Major clerical effort using existing software tools in the SOSKB.
Priority: 3.
Funding Needed: Total funding needed to redact all existing records is to be determined. Funding was provided this fiscal year to start the UCC-1 redaction process and measure the progress. Since the list of information to be redact is large and the universe of records that must be viewed and redact involves several million images, this is considered a major project for the Department. The information to be redact must be redact manually because it involves personal information that must be redact and public business information that must not be redact. For example, private telephone numbers reported to us must be redact, but public business phone numbers reported to us are public information. The private information can be any place on the image, not just in preprinted boxed locations on forms. Filed and imaged document sizes vary from 1 page to over 1,200 pages.
Staffing Resources: Approximately 50 seconds per image to locate and redact private information and verify.

Actual or Scheduled Start Date: June 2006.
Scheduled Completion Date: July 2007.

4. **Project Name:** Implementation of Law Enforcement Case Management System.
   Scope: Standardize case management processes for certified law enforcement personnel in the Department.
   Priority:
   Funding Needed: Using existing Department funding sources.
   Staffing Resources: Minimal IT resources required, turnkey COTS application chosen that works with partnering local and county law enforcement agencies.
   Actual or Scheduled Start Date: May 2006.
   Scheduled Completion Date: October 2006.

5. **Project Name:** Cable Television Franchise Filings Information module in SOSKB to conform to changes enacted in Session Law 2006-151, Video Service Competition Act; due January 2007.
   Scope: Accept cable TV franchise filings and post images and/or index to Web site for public access.
   Priority:
   Additional Funding Needed: None for IT, using existing resources.
   Staffing Resources: Using existing resources.
   Actual or Scheduled Start Date: December 2006.
   Scheduled Completion Date: March 2007.

Applications

1. **Project Name:** Notary Public Information System
   Type: Custom developed in 1980's.
   Scope: Core Business
   Priority:
   Alignment to Department Strategy: Meets minimal strategy and program priorities.
   Future Intentions: Replace Notary SOSKB module with E-Notary implementation into Notary application, including online training and online testing.
   Actual or Scheduled Start Date: October 2006.
   Scheduled Completion Date: February 2007.

2. **Project Name:** Secretary of State Knowledge Base (SOSKB).
   Type: Custom developed integrated business application starting in 1999.
   Scope: Core Business. Comprehensive, consolidated business critical application that provides access to public information to support N.C. economy. Includes interactive B-2-G modules used by private businesses and customer friendly Web services.
   Priority:
   Alignment to Department Strategy: Meets business strategy and program priorities.
   Future Intentions: Operations and Maintenance; integrate other business modules into core application as priorities and business conditions dictate.
   Actual or Scheduled Start Date: July 1999.
   Scheduled Completion Date: On-going.

3. **Project Name:** Trademarks and Service Marks Registration and Information System.
   Type: Custom developed starting in 1980's.
   Scope: Core Business
   Priority:
   Alignment to Department Strategy: Meets minimal strategy and program priorities.
   Future Intentions: Replace legacy mainframe application with SOSKB module to be jointly developed with state of North Dakota.
   Actual or Scheduled Start Date: September 2007.
   Scheduled Completion Date: January 2008.

4. **Project Name:** Securities and Investment Advisers Registration and Information System.
   Type: Custom developed client/server application in 1999.
   Scope: Core Business
   Priority:
   Alignment to Department Strategy: Meets minimal strategy and program priorities.
   Future Intentions: Replace legacy client/server application with SOSKB module to be jointly developed with states of Ohio and North Dakota.
   Actual or Scheduled Start Date: TBD.
   Scheduled Completion Date: TBD.

Infrastructure assets

1. **Project Name:** Replace Wireless Building-to-Building data communications with state MAN or WAN wired data communications at two downtown leased locations.
   Scope: Today a wireless LAN solution provides data communications services from the Old Revenue Building Complex to leased spaces in One Exchange Plaza and the Old Wachovia Building. The desire is to replace this wireless solution with a wired MAN solution.
   Priority:
   Funding Needed: $23,000 to install, $35,000/year to operate.
   Actual or Scheduled Start Date: Depends upon funding.
   Scheduled Completion Date: Depends upon funding.

2. **Project Name:** Replace PCs and printers as needed.
   Scope: Refresh aging PCs on a four-year replacement cycle and printers on a five-year replacement cycle. Recurring funding to refresh IT equipment was included in the 2005-06 budget.
   Priority:
   Funding Needed: No additional funding needed beyond current funding level.
   Actual or Scheduled Start Date: ¼ or 1/5 Annually.
   Scheduled Completion Date: ¼ or 1/5 Annually.

3. **Project Name:** Replace aging servers and increase data storage capacity.

Scope: Refresh aging servers and data storage on a four-year replacement cycle or as business growth requires. Recurring funding to refresh IT equipment was included in the 2005-06 budget.
Priority:
Funding Needed: No additional funding needed beyond current funding level.
Actual or Scheduled Start Date: ¼ Annually.
Scheduled Completion Date: ¼ Annually.

4. **Project Name:** Replace aging data communications switches and firewalls.
Scope: Refresh aging data communications switches and firewalls on a five or six-year replacement cycle. Recurring funding to refresh IT equipment was included in the 2005-06 budget.
Priority:
Funding Needed: No additional funding needed beyond current funding level.
Actual or Scheduled Start Date: 1/5 Annually.
Scheduled Completion Date: 1/5 Annually.

Operations/IT Management

1. **IT Issue:** Outdated Long-term Electronic Data Archival and Retrieval Standards and Automated Tools.
Scope: All agencies struggle with long-term data archival and retrieval methods. Paper documents and electronic images must be converted to microfilm and indexed before sending to State Archives for permanent storage. There has to be a better way for agencies to accomplish this required process.

2. **IT Issue:** Salary reserves in the Department are inadequate to increase IT professionals' salaries to the most recent August 2006 career-banding salary competency levels.
Scope: In the Department, eight of the eleven long-time professional IT employees are earning more than 10% below the salary level for their career-banded competency level. In a small agency that generates very small salary reserves, this is a serious problem. There are not the financial means to address and correct this problem. With an improved economy and a shortage of experienced IT talent in this area, this will likely cause serious IT staff recruitment and retention problems in the future. The legislature should provide adequate salary reserve funding so state agencies can equitably compensate IT employees according to their career-banded competency levels.

Human Resources

1. **IT Issue:** As the in-house developed inventory of production applications continues to grow and mature, the applications development support staff are being utilized less for new applications development and more to support and maintain production applications. In addition, the depth of experienced applications development personnel and the sophistication of the applications places the Department in a precarious position. If any one of the applications development staff members were to leave, project deadlines would slip while recruiting and training a replacement person for the existing applications development environment. The lower funded IT salaries in the agency will make it hard to recruit and hire a seasoned applications development professional.

There is a possibility of extended systems downtime if a crisis occurred during the recruitment and hiring of replacement staff.

Scope: The applications development staff consists of one business & technology applications technician, two business and technology applications analysts, and one IT manager. There is not enough available time for the staff to be trained on new technologies or software tools, as they must maintain existing critical line of business applications while developing, testing, and deploying new applications.

Need: One additional applications development professional should be funded to provide training time for applications development staff, stress relief for current staff, and supplement necessary day-to-day applications support staff.

Chapter 3 - IT Specific Economic-Driven Requirements or Opportunities

Digital certificates, smartcards, and biometric security solutions for citizens and businesses are necessary to conduct secure business with government. Citizens should be able to obtain one secure identification instrument to handle all business with government. It is not economical for these security solutions to be developed and maintained by each agency. This should be an enterprise solution with several levels of identification and authentication offered, depending upon the needs of the entity doing business with the government and the agency's authentication needs.

Data recovery services for failed hard drives is another needed service that should be offered by experts at the enterprise level. It is not efficient for each agency to train staff and purchase utility software to recover information from failed hard drives. A highly trained specialized unit would be more efficient.

Chapter 4 - IT Initiatives Developed From and Aligning With Plan Drivers

During the next biennium, the Department plans to accomplish the following legacy applications initiatives:

Initiative 1

Title: Migrate legacy Securities and Investment Adviser Information System.

Summary: Migrate the Securities and Investment Adviser information system into the SOSKB and interface it with the new federal registration system, remove redundant functionality, and work with management to develop new integrated management and Web reports using information from both systems. This will improve the efficiency of the Securities Division staff, meet more of the customers needs for consolidated information, and provide an application that is written in a programming language that the IT applications development staff can support and enhance. This will result in better customer service for the citizens of North Carolina.

Benefits: This will result in better customer service for the citizens of North Carolina and modern electronic workflows for staff members.
Timeframe: Fiscal Year 2008-09.
Relationship with Other Agency Initiatives: Since this is a replacement project for a functioning system, this project has a lower priority than other agency projects. This project will add a new module to the SOSKB.
Relationship with Statewide Initiatives: No known relationship.
Order-of-Magnitude Costs: Less than $75,000

Initiative 2

Title: Replace the legacy Trademarks Registration and Information System.
Summary: Replace the aging Trademarks Registration and Information system with a SOSKB module. This will provide more efficient electronic workflows and automated processes for the small Trademarks Division staff and it will enable us to provide online Web services for the division.
Benefits: This will result in more efficient operations and better customer service for businesses in the state.
Timeframe: Fiscal Year 2008-09.
Relationship with Other Agency Initiatives: Since this is replacement project for a functioning system, this project has a lower priority than other agency projects. This project will add a new module to the SOSKB.
Relationship with Statewide Initiatives: No known relationship.
Order-of-Magnitude Costs: Less than $75,000